

STATE OF HAWAII — DEPARTMENT OF TAXATION

FORM
N-66
(REV. 2002)

Real Estate Mortgage Investment Conduit Income Tax Return

2002

For calendar year 2002 or short tax year beginning _____, 20____, ending _____, 20____
➤ See separate Instructions.

| | | |
|----------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|
| Please Type or Print | Name | A Federal Employer I.D. No. |
| | Number and street (P. O. Box number if mail is not delivered to street address) | B Date REMIC started |
| | City or town, state, and ZIP code. If you have a foreign address, see instructions. | C Enter total assets at end of tax year \$ |

D Check applicable boxes: (1) ☐ Final return (2) ☐ Name Change (3) ☐ Change in address (4) ☐ Amended return

Section I. — Computation of Taxable Income or Net Loss

E Hawaii G.E./Use I.D. No.

Income — excluding amounts from prohibited transactions

| | | | | |
|---|---------------------------------------------------------------|---|--|--|
| 1 | Taxable interest | 1 | | |
| 2 | Accrued market discount under IRC section 860C(b)(1)(B) | 2 | | |
| 3 | Capital gain (or loss) (Schedule D) | 3 | | |
| 4 | Ordinary gain (or loss) (attach Schedule D-1) | 4 | | |
| 5 | Other income (attach schedule) | 5 | | |
| 6 | Total income (or loss) (add lines 1 through 5) | 6 | | |

Deductions — excluding amounts from prohibited transactions

| | | | | |
|----|------------------------------------------------------------------------------------------------|----|--|--|
| 7 | Salaries and wages | 7 | | |
| 8 | Rent | 8 | | |
| 9 | Amount accrued to regular interest holders in the REMIC that is deductible as interest | 9 | | |
| 10 | Other interest | 10 | | |
| 11 | Taxes | 11 | | |
| 12 | Depreciation from federal Form 4562 | 12 | | |
| 13 | Other deductions (attach schedule) | 13 | | |
| 14 | Total deductions (add lines 7 through 13) | 14 | | |
| 15 | Taxable income (net loss) (line 6 less line 14) Enter here and on Schedule M, column (c) | 15 | | |

| | | | | |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------|----------------------------------|
| Please Sign Here | DECLARATION | | | |
| | I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. | | | |
| | ➤ _____ Signature | ➤ _____ Date | | |
| | ★ May the Hawaii Department of Taxation discuss this return with the preparer shown below? (See page 2 of the Instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No Note: This designee does not replace the power of attorney form. | | | |
| Paid Preparer's Use Only | Preparer's Signature ➤ | Date | Check if self-employed <input type="checkbox"/> | Preparer's identification number |
| | Type or Print Preparer's Name ➤ | | | E.I. No. ➤ |
| | Firm's name (or yours if self-employed), Address, and ZIP Code ➤ | | | Phone no. ➤ |

Schedule D**Capital Gains and Losses (Caution: Use Schedule D-1 instead of Schedule D if the startup day was after November 11, 1991. See instructions.)****Part I — Short-Term Capital Gains and Losses — Assets Held One Year or Less**

| (a) Description of property (Example: 100 shares 7% preferred of "Z" Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sale price (see Instructions) | (e) Cost or other basis (see Instructions) | (f) Gain (or loss) (col. (d) less (e)) |
|--------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|-----------------------------------------------|-------------------------------------------|
| 1 | | | | | |
| | | | | | |
| | | | | | |
| 2 Short-term capital gain from installment sales from federal Form 6252 | | | | 2 | |
| 3 Short-term capital loss carryover | | | | 3 | () |
| 4 Net short-term capital gain (or loss) (combine lines 1 through 3) | | | | 4 | |

Part II — Long-Term Capital Gains and Losses — Assets Held More Than One Year

| | | | | | |
|-------------------------------------------------------------------------------------|--|--|--|-----------|-----|
| 5 | | | | | |
| | | | | | |
| | | | | | |
| 6 Long-term capital gain from installment sales from federal Form 6252 | | | | 6 | |
| 7 Capital gain distributions | | | | 7 | |
| 8 Enter gain, if applicable, from Schedule D-1 | | | | 8 | |
| 9 Long-term capital loss carryover | | | | 9 | () |
| 10 Net long-term capital gain (or loss) (combine lines 5 through 9) | | | | 10 | |

Part III — Summary of Parts I and II

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
| 11 Combine lines 4 and 10, and enter the net gain (or loss) here | 11 | |
| 12 If line 11 is a gain, enter here and also on line 3, Section I (page 1) | 12 | |
| 13 If line 11 is a loss, enter here and as a loss on line 3, Section I (page 1), the smaller of: a The amount on line 11; or b \$3,000 | 13 | () |

Part IV — Computation of Capital Loss Carryovers From 2002 to 2003

(Complete this part if the loss on line 11 is more than the loss on line 13.)

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| 14 Enter loss shown on line 4; if none, enter zero and skip lines 15 through 18 | 14 | |
| 15 Enter gain shown on line 10. If that line is a blank or shows a loss, enter zero | 15 | |
| 16 Subtract line 15 from line 14 | 16 | |
| 17 Enter the smaller of line 13 or 16 | 17 | |
| 18 Subtract line 17 from line 16. This is your short-term capital loss carryover from 2002 to 2003 | 18 | |
| 19 Enter loss from line 10; if none, enter zero and skip lines 20 through 23 | 19 | |
| 20 Enter gain shown on line 4. If that line is a blank or shows a loss, enter zero | 20 | |
| 21 Subtract line 20 from line 19 | 21 | |
| 22 Subtract line 17 from line 13. (Note: If you skipped lines 15 through 18, enter the amount from line 13.) | 22 | |
| 23 Subtract line 22 from line 21. This is your long-term capital loss carryover from 2002 to 2003 | 23 | |

Designation of Tax Matters Person

Enter below the residual interest holder designated as the tax matters person (TMP) for the calendar year of this return:

Name of
designated TMP ➤Identifying
number of TMP ➤Address of
designated TMP ➤**Additional Information**

F What type of entity is this REMIC? Check box ➤ ☐ Corporation ☐ Partnership ☐ Trust
☐ Segregated Pool of Assets

If you checked "Segregated Pool of Assets," state name and type of entity that owns the assets:

Name _____ Type _____

G Number of residual interest holders in this REMIC ➤ _____.**H** Enter the amount of tax-exempt interest accrued during the year ➤ _____.**I** Check this box if the REMIC has more than one class of regular interests..... ➤ ☐

If so, attach a schedule identifying the classes and principal amounts outstanding for each at the end of the year.

J Enter the sum of the daily accruals determined under IRC section 860E (c) for the calendar year ➤ _____

| Schedule L | | Balance Sheets per Books | | (a) Beginning of year | | (b) End of year | |
|-------------------|---------------------------------------------------|---------------------------------|--|------------------------------|--|------------------------|--|
| | | Assets | | | | | |
| 1 | Permitted investments (see Instructions): | | | | | | |
| a | Cash flow investments..... | | | | | | |
| b | Qualified reserve assets | | | | | | |
| c | Foreclosure property | | | | | | |
| 2 | Qualified mortgages | | | | | | |
| 3 | Other assets (attach schedule)..... | | | | | | |
| 4 | Total assets | | | | | | |
| | | Liabilities and Capital | | | | | |
| 5 | Current liabilities (attach schedule) | | | | | | |
| 6 | Other liabilities (attach schedule) | | | | | | |
| 7 | Regular interests in REMIC | | | | | | |
| 8 | Residual interest holders' capital accounts | | | | | | |
| 9 | Total liabilities and capital | | | | | | |

| Schedule M | | Reconciliation of Residual Interest Holders' Capital Accounts | | | | | | |
|----------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------------------|------------------------------------------------------------------------------------------------|--|--|
| | | (Show reconciliation of each residual interest holders' capital account quarterly on Schedule Q (Form N-66), Item F.) | | | | | | |
| (a) Residual interest holders' capital accounts at beginning of year | (b) Capital contributed during year | (c) Taxable income (net loss) from Section I, line 15 | (d) Nontaxable income | (e) Unallowable deductions | (f) Withdrawals and distributions | (g) Residual interest holders' capital accounts at end of year (combine cols. (a) through (f)) | | |
| | | | | (| (|) | | |